



# **CITY OF PHOENIX**

## **Comprehensive Land Use Plan**

### **ECONOMIC ELEMENT**

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**What's Happening**

The national, state, regional and local economies are changing. Changing in ways that were unforeseen as little as twenty years ago. But the major changes that have occurred in the Southern Oregon regional economy were largely anticipated, at least by economists and public policy analysts. The decline of the timber industry, the growth of the service sector, and the relative stability of employment in the public sector were foretold by national policies, and national/regional trends.

Future economic changes that will affect the Southern Oregon economy now and in the future are driven, not by national policies, but rather by the interaction of national policies with the world economy. We've gone global. The nation's economy, because of its sheer size, is a dominant factor in the world's economy. But at the same time, the actions throughout the globe have profound affects upon U.S. economy.

Twenty years ago, in the mid-70's, the federal tight money policy (i.e. historically high interest rates) was established primarily in light of domestic considerations and needs. Now interest rates are set (or float) in relationship to the nation's and world economy. Similarly, trade policies are no longer guided by domestic considerations alone but instead by terms negotiated in international treaties (Ghatt & North American Free Trade Agreement). These examples miss an important fact; the federal government is an instrument in the global economy rather than a dominate force. "Globalization is mainly a process being carried out by the giant transnationals, among whom U.S. transnationals are the most numerous and powerful."<sup>1</sup>

Due to the global economic dimension, the historical record offers less guidance about the future than it did as little as 20 years ago. None the less, a considerable part of this element is dedicated to the review of historical data; employment, trends of major economic sectors, and census data. These sources should be used as a foundation for future change rather than an indication of what lies ahead. That said, the element does highlight some powerful trends in the local, regional, national, and global economy that are likely to have substantial bearing on the general course of the regional economy.

**The Nation**

The U.S. economy has undergone profound change in the last 15 years. Rapid technological change, increased domestic and international competition, shifting mix of products and occupations, and increased concentration of many industries. “The effect on many Americans has been disastrous: stagnant wages, chronic unemployment and underemployment, rising work hours for full-time employees and heightened level of job stress and insecurity.” (Ibid) The economy has brought an increasing level of material wealth to the worker; multiple cars, TV’s, VCR’s, designer tennis shoes, and recreational vehicles. In fact, the material standard of living is roughly twice as high as it was as little as 50 years ago. That means the country has twice as much stuff as was typical in the 1940’s. “Had we channeled this “productivity dividend” into leisure time, Americans would have already reached the twenty hour week. But instead we used all our economic progress to produce more goods and services and to consume more. We have gotten more things but there is growing evidence that consumerism is not giving us satisfaction and peace of mind. Americans are neither happier nor more satisfied” (Ibid)

The distribution of income in the United States is the most unequal of all industrial nations. As of 1993, 10 percentage of the population own 72 percent of the nation’s private wealth. The bottom 20 percent, in contrast, share a mere 4.2 percent. That is down by one percent from levels in 1973 when the bottom fifth held 5.5 percent. “Those people in the top fifth of the economic spectrum drew an income in 1993 that was nearly 10 times higher than an equivalent person in the bottom fifth of the population. That ratio was 12.4 percent wide than in 1989.”<sup>2</sup>

The continuing slide in the share of the nation’s wealth held by the poor has boosted the number of people living in poverty. In 1993 just over 15 percent of the nation’s population was poor. That’s up from 13.1 percent in 1989.<sup>3</sup> The people pulling ahead economically are generally older, more highly educated, and members of families headed by married couples. The economic losers during the 1990’s have thus far tended to be single-parent families-putting increasing numbers of children and young adults in or near poverty. “More than twenty percent of all children in this country are now poor.”<sup>4</sup>

Poverty and income disparities continue despite an ever increasing proportion of households with two wage earners. The Labor Department’s Bureau of Labor Statistics reports that nearly half (48 percent) of all working Americans are married dual earners-two jobs, two-paycheck families. That has been a steadily growing trend.

Two-job families made up 41 percent of the work force as long ago as 1980.

“Today, the United States has 5% of the world’s population, but consumes 30% of its resources. Eight percent of the world’s population owns cars, as compared to about 90% of Americans. The American child’s annual pocket money, \$230 a year, exceeds the income of the world’s half-billion poorest people.”<sup>5</sup>

#### Trends and Forecasts

Technological innovations are having profound impacts on our lives. The samples that follow are believed to be ones that will affect the region’s economy and thereby the City, its neighborhoods and the Phoenix business community.

“Today’s **microprocessors** are almost 100,000 times faster than their Neanderthal ancestors of the 1950’s and when inflation is considered, they cost 1,000 times less. These extraordinary facts explain why computing plays such a large role in our world today.”<sup>6</sup> Every 18 months microprocessors double in speed. If this trend continues, within 25 years, one computer will be as powerful as all those in Silicon Valley today.

Wireless and hardwire networks will become the main infrastructure in the global economy. Today, “more than half the world’s population lives more than two hours’ travel from the nearest phone.”<sup>7</sup> Those currently served with analog access but lacking **digital broadband infrastructure** may find themselves left behind in the digital age. “If a town is near than main line, it prospers; if it is a few miles distant, it dries up and blows away.” (Ibid)

“**Automobiles** will be able to see, hear, and communicate with one another and with the roadway itself. They will become sensitive to their drivers; warning of fatigue, distraction, or exceeded speed limits. Gradually, vehicles will progress from being completely controlled by the driver to depending on the driver mainly for steering.”<sup>8</sup>

“Advances in telecommunications and changes in the ways people live and work are now starting to bring some of this self-sufficiency to other regions. The number of contract worker, self-employed entrepreneurs and cottage industries is on the rise, and computers, multimedia devices and satellite communication are increasingly within the reach of average consumers. The developments will foster rapid growth in **home-based enterprises** in coming years.”<sup>9</sup>

The practice of Medicine will undergo the fourth revolution; **gene therapy**. Selected genes, once injected into the body, can potentially cure or ease the vast majority of disorders. Previous revolutions occurred when; 1) society

began taking public health measures such as establishing sanitation systems, 2) surgery with anesthesia was introduced, and 3) vaccines and antibiotics made it possible to prevent the spread of diseases by microbes.

**Birth control** will be vastly improved, providing more options, and will thus reduce the birth of unwanted children. “In the U.S., more than half of all pregnancies every year are unintended.”<sup>10</sup>

“Economic growth depends on **energy use**. By 2025 the worldwide demand for fuel is projected to increase by 30 percent and that for electricity by 265 percent. Even with more efficient use and conservation, new sources of energy will be required. Solar energy could provide 60 percent of the electricity and as much as 40 percent of the fuel.”<sup>11</sup>

“**Fresh water** will become a highly cherished commodity. Just as with the earth’s land and water, the atmosphere needs to be scrupulously guarded.”<sup>12</sup>

“Adam Smith wrote two centuries ago in *The Wealth of Nations* that the state is responsible for ‘erecting and maintaining those public institutions and those **public works**, which though they may be in the highest degree advantageous to a great society, are however, of such a nature, that the profit could never repay the expense to any individual or small number of individuals, and which it, therefore, cannot be expected that any individual or small number of individuals should erect or maintain.’ These words have never been more true.”<sup>13</sup>

“The word ‘literacy’ meaning the ability to read and write, has gradually extended its grasp in the digital age until it has come to mean the ability to understand information, however presented. Increasingly, information is being offered in a new way: instead of black letters printed on white paper, the new format blends words with recorded sounds and images into a rich and volatile mixture. To be deeply **literate in the digital world** means being skilled at deciphering complex images and sounds as well as the syntactical subtleties of words. Above all, it means being at home in a shifting mixture of words, images and sounds.”<sup>14</sup>

The U.S. Department of Commerce reported that capital spending on computers exceeded capital spending on all other parts of the nation’s industrial infrastructure for the first time in 1990. But the information economy cannot be based upon capital alone. To create such an economy demands organizational and societal change. Computers are far more than simply a new way to automate business. “Information technologies can increase the

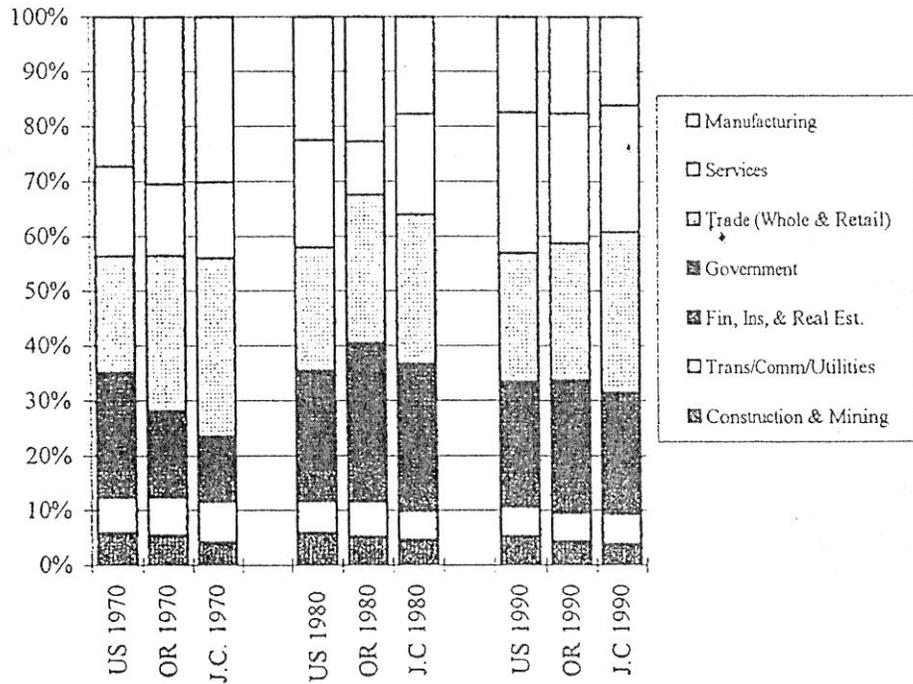
intellectual content of work at all level. Work comes to depend on an ability to understand, respond to, manage and create value from information. Thus efficient operations in the informed workplace require a more **equitable distribution of knowledge and authority**. The transformation of information into wealth means that more members of the firm must be given opportunities to know more and to do more.”<sup>15</sup> Thus, to embrace the information economy will require dismantling the managerial hierarchy that gave rise to the success of the industrial economy.

**State & Regional Economy**

The economic structure of the U.S., State, and Jackson County is changing. These structural changes are a result of powerful changes that reflect a transition from the post World War II consumer economy to one based more upon the consumption of services. The former period witnessed an unprecedented increase in worker productivity which, as noted earlier, was channeled into the consumption of consumer goods. Following the dramatic increase in consumer goods consumption was the growth of consumer services. Graph 1 details the extraordinary changes that have occurred in the structure of the economy during the past 25 years.

**Graph 1**

**Employment Distribution  
U.S., Oregon, and Jackson County Covered Employment  
1970 - 1990**



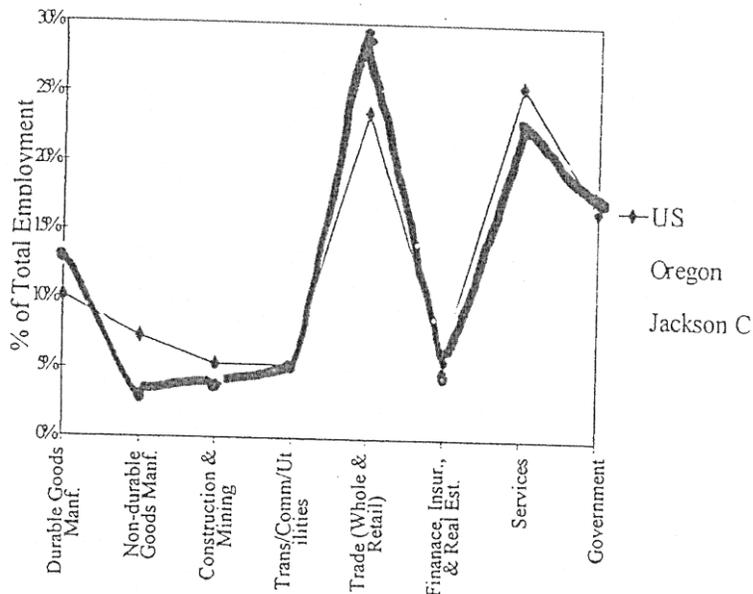
Source: Oregon Employment Department  
U.S. Department of Commerce

Interestingly, the overall changes in the regional economy do not differ appreciably from that of either the nation or the State. The dramatic fall in manufacturing employment mimics that of the nation and State. The share of trade employment, as a percentage of total employment, has actually fallen in Jackson County during the past twenty years. That is surprising given the proliferation of big box retailers throughout the region.

Graph 2 shows the current distribution of employment by major sectors of the economy. Note that Jackson County does have a higher proportion of durable goods manufacturing employment (wood products) and trade employment than the State and the nation. Both are attributable to the location of the County both geographically (i.e. regional trade center) and ecologically (softwood forests).

**Graph 2**

**1990 Covered Employment Distribution**



Source: Oregon Employment Department

The relatively low level of non-durable manufacturing is also a function of this region’s geographic and economic advantages and disadvantages. The Rogue Valley is roughly 500 miles from any major west coast consumer market; San Francisco and Seattle being the closest. Transportation costs and shipping logistics to major markets boosts the cost of goods manufactured within the

region. Our lower labor cost, relative to those major markets, does not offset the higher cost of doing business. Due to these factors, businesses which manufacture non-durable goods in the region usually, 1) produce market niche products, 2) secure raw materials locally, or 3) have their primary consumer market within the region.

Graph 2 does not detail the changes in lumber and wood products industry employment which, “since 1985 has fallen by nearly 18 percent. The reduction is even larger when measured from the 1988’s historic peak employment levels.”<sup>16</sup> These losses were offset by a 35 percent growth in other manufacturing employment during the same period.

Unfortunately, the sector that pays a relatively high average weekly wage, manufacturing, has been shrinking relative to other sectors of the economy. This while the retail trade sector, which has the lowest average weekly wage, is growing. This trend is not atypical of the State or the nation, but it still means declining overall economic welfare. Thus while total employment is growing, it takes an ever increasing number of jobs within the region to maintain the same economic welfare. Table 1 details the average weekly wages by major economic sector.

**Table 1**

<b>Statewide Average Weekly Earnings By Industry – 1994</b>			
<i>Industry</i>	<i>Avg. Weekly Wage</i>	<i>Industry</i>	<i>Avg. Weekly Wage</i>
Manufacturing	\$606.55	Lumber and Wood	\$556.19
Trans., Comm., & Utils	\$608.22	Wholesale Trade	\$625.74
Retail Trade	\$284.52	Fin., Ins. & Real Estate	\$560.07
Services	\$416.07	Federal Gov.	\$740.93
State Gov.	\$576.11	Local Gov.	\$496.28
Source: Oregon Employment Department			

**Unemployment**

Unemployment rises and falls in concert with the national business cycle and to a lesser degree, especially since the 1990’s, with local mill closing. The unemployment rate within Jackson County has varied widely throughout the past ten years; rising as high as 9.4 percent in 1985 to a low of 6.3 percent in 1995. Table 2 details the labor force, employment and unemployment during the period 1985 to 1995.

**Table 2**

<b>Labor Force, Employment, and Unemployment For Jackson County</b>				
<i>Year</i>	<i>Civilian Labor Force</i>	<i>Employment</i>	<i>Unemployment</i>	<i>Unemployment Rate</i>
1985	64,060	58,060	6,000	9.4%
1986	66,870	61,050	5,820	8.7%
1987	69,560	65,000	4,460	6.4%
1988	71,250	66,590	4,660	6.5%
1989	73,160	68,230	4,930	6.7%
1990	73,030	68,200	4,830	6.6%
1991	74,370	68,780	5,590	7.5%
1992	76,340	70,020	6,320	8.3%
1993	79,700	73,000	6,700	8.4%
1994	82,370	76,970	5,400	6.6%
1995	84,490	79,140	5,350	6.3%

Source: Oregon Employment Department

### **Economic Sector Forecasts**

The Oregon Employment Department recently completed economic forecasts for the State, regions, and counties. The State, as a whole, is forecast to increase employment by 22 percent between 1995 and 2005 adding 313,000 jobs. The southwest Oregon region (five southwest counties) is forecast to lag behind many other regions of the state due to continued reductions in the wood products and other natural-resource based industries.

The fastest growing region, Portland Metropolitan area, is anticipated to grow at one and one-half times the rate of the Rogue Valley region, 26 percent and 16 percent respectively. Other fast growing regions are the Willamette Valley and Bend/Redmond.

The local economy will generate 12,860 new jobs in Jackson and Josephine Counties between 1995 and 2005 according to research conducted by the Oregon Department of Commerce, Employment Division. That represents a 16 percent growth over 1995 employment levels of 79,300. Table 3 details the 2005 employment by major sector of the economy as compared to 1995.

Table 3

<b>Employment by Major Sector Jackson and Josephine Counties 1995 and 2005</b>				
<i>Industry</i>	<i>1995</i>	<i>2005</i>	<i>Change</i>	<i>% Change</i>
Manufacturing	11,570	11,360	-210	-1.8%
Lumber & Wood	6,090	5,000	-1,090	-17.9%
Other Manufac.	5,480	6,360	880	16.1%
Non-Manufacturing	67,730	80,800	13,070	19.3%
Construction/Mining	3,260	4,050	790	19.5%
Trans/Comm./Util.	3,460	3,980	520	15.0%
Trade	23,490	28,850	5,360	22.8%
Finan./Ins./Real Est.	3,760	4,300	540	14.4%
Services	20,240	25,570	5,330	26.3%
Health Care	7,180	8,500	1,320	18.4%
Other Services	13,060	17,070	4,010	30.7%
Government	13,520	14,050	530	3.9%
Total	79,300	92,160	12,860	16.2%

Source: Oregon Employment Department

The economy, based upon the forecast, will continue to shift toward service and trade sectors, which together will account for 83 percent of employment growth. The local employment growth in trade, 23 percent, is comparable to the forecast growth rate statewide for this sector. The growth in the service sector will lag somewhat behind the growth rate statewide, 26 and 40 percent respectively. Slower local job growth in temporary and lease workers accounts for most of the difference.

“Other sectors with significant local growth will be in construction and manufacturing outside of the timber industry. While it is not possible to predict exactly which manufacturing industries will do the best, growth has been occurring in food products, printing and publishing, and an assortment of smaller durable goods firms.”<sup>17</sup>

The continued shift of the economy away from manufacturing industries and to those which don't “add value” will lessen the productive potential of the region's work force. Lower paying jobs typically require relatively low or no skills. That added to the fact that trade and services industries pay employees lower wages and often do not provide health insurance or retirement benefits further diminishes the welfare of the region's work force. Coupled with these

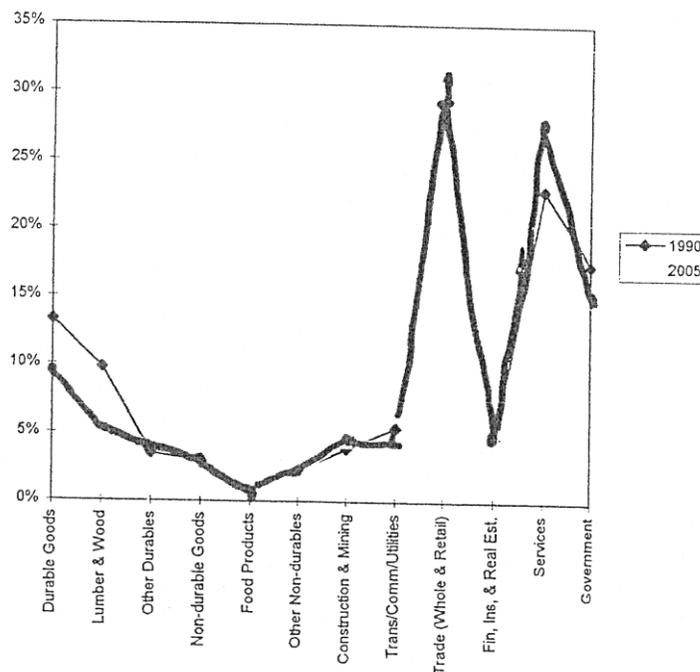
impacts on employees, most of the retail trade industry is increasing controlled by major out-of-region and out-of-state corporations.

Offering low prices and high quality service, these “big box” retailers enjoy enormous purchasing power which is derived from numerous stores throughout the west and nationally. While the local consumer benefits from the lower prices, the profits derived from the sales are focused on the corporate headquarters and distributed to its shareholders (in the case of publicly traded corporations). As a consequence, the region does not benefit by higher retail trade in the sense of increasing the region’s wealth. It simply means that the region’s wage earners’ pay stretches a little further.

Graph 3 illustrates the relative shift in employment between 1990 and 2005, as described above.

**Graph 3**

**Employment Distribution – By Major Sector  
1990 and 2005**



Source: Oregon Employment Department

### Occupational Projections

The Oregon Employment Department has developed forecasts of occupational changes within Jackson and Josephine Counties. Occupation growth is generally a function of change in the broader economy. Consequently, occupational growth in service and retail trade occupations is forecast to grow at a relatively higher rate than those of other occupations.

The 29 occupations listed below are only five percent of all occupations classified. Yet they are forecast to account for 49 percent of all new jobs created in the economy and will account for 37 percent of all employment in 2005. With the exception of the truck drivers, these jobs are generally service or information workers. Each provides goods, services, or information to other people or businesses. Table 4 includes only those occupations which are forecast to add 100 or more jobs in the period 1995-2005.

**Table 4** Occupational Forecasts  
Year 2005 for Jackson and Josephine Counties

<i>Occupation</i>	<i>2005 Employment</i>	<i>Net Growth</i>	<i>% Change</i>
Food Service & Lodging Managers	441	107	33.3%
General Managers / Top Executives	2,092	215	11.5%
Accountants / Auditors	462	106	29.8%
Social Service Technicians	274	107	64.1%
Teachers – Presch & Kindergarten	605	126	26.3%
Teachers – Elementary	1,869	137	7.9%
Teachers Aides – Paraprofessional	734	106	16.9%
1 <sup>st</sup> Line Supv.: Sales & Related	1,397	277	24.7%
Salespersons: Non Technical	660	102	18.3%
Salespersons: Retail	3,971	780	24.4%
Stock Clerks, Sales Floor	1,003	117	13.2%
Cashiers	2,625	487	22.8%
1 <sup>st</sup> Line Supv.: Clerical & Admin	869	116	15.4%
Receptionists / Information Clerks	1,032	159	18.2%
Order Clerks: Matl., Merch., Serv.	561	149	36.2%
Waiters & Waitresses	1,803	419	30.3%
Cooks: Restaurant	894	247	38.2%
Cooks: Specialty Fast Food	1,448	366	33.8%
Food Preparation Workers	1,372	337	32.6%
Combined Food prep / Service Wkrs.	1,814	289	19.0%
Nurses, Aides, Orderlies, Attends	916	142	18.3%
Maids & Housekeeping Cleaners	1,034	214	26.1%
Maint Repairer: General Utility	905	156	20.8%
Automotive Mechanics	591	118	24.9
Carpenters	700	137	24.3%
Truck Drivers – Heavy/Trac. Trlr.	1,788	310	21.0%
Truck Drivers – Light Delivery	611	132	27.6%
Other Helpers, Laborers, Movers	1,089	111	11.3%
Leased Workers	1,005	270	36.7%
<b>Total</b>	<b>34,565</b>	<b>6,339</b>	

Source: Oregon Employment Department

Despite all the hype about the information age, many occupations directly tied to the operation of the computer are forecast to decline in numbers; typists, including word processing and computer operators. Jobs in these two occupations are forecast to decline by 16 to 24 percent, respectively. Other occupations forecast to decline in relatively large absolute or on percentage basis are: billing & calculating machine operators; central office operators (communications); fallers & buckers; choke setter, log handling equipment operators; log tractor operators; forest & conservation workers; precision inspectors & testers; other inspectors & testers; maintenance mechanics; wood sawing machine operators; woodworking machine operators; furnace, kiln, oven, drier operators; cement/gluing machine operators; other machine operators; forklift/industrial truck operators; and machine feeders & off bearers. These occupations are tied to either the timber industry or equipment which is anticipated to be computer controlled in the future.

**State of the Local Economy**

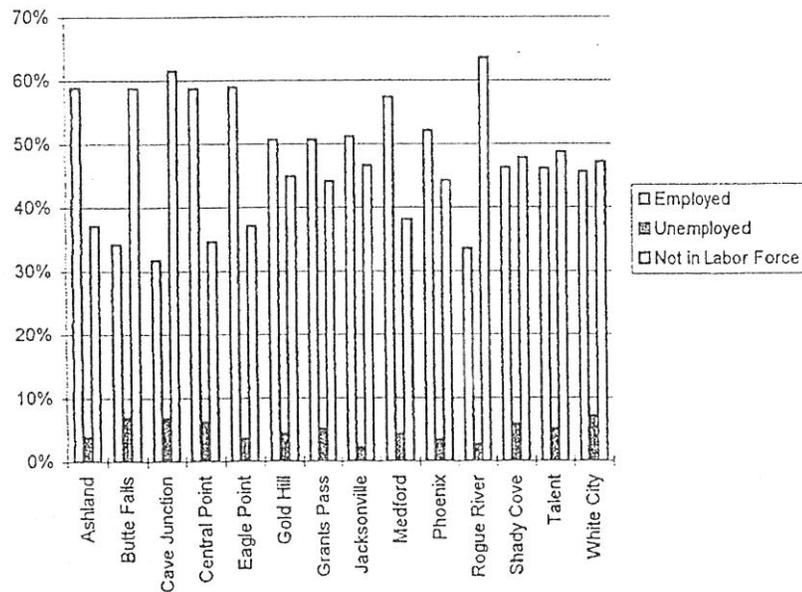
There is no data that allows comparison between the local economy and the foregoing analysis. U.S. Census data from 1990 provides a basis for comparing some economic characteristics of the local population with those of surrounding communities and the State. That source is the basis for much of the following analysis.

**Labor Force**

Based upon the 1990 U.S. Census, there were 1,402 people 55.6 percent of the population over the age of 16 living in Phoenix in the labor force. That includes people who were working and those looking for work but unemployed. It does not include persons who were not working and were not looking for work (discouraged workers). Graph 4 compares the labor force distribution by community within Southern Oregon.

**Graph 4**

**Population Characteristics  
By Employment Status**



Source: 1990 U.S. Census

The City has the fifth highest labor force participation rate of all communities in Jackson and Josephine County. Only Ashland, Eagle Point, Central Point,

and Medford have higher rates. Atypical of the rest of the communities in the region, in 1990 an almost equal number of men and women in Phoenix were in the work force, 713 and 689 respectively. The unemployment rate for residents in the City in 1990 was three percent while the rate for cities throughout the region ranged from seven to just two percent.

Place of Work

Like most small towns in the Rogue Valley, most working people work outside the community. Just seventeen percent of residents employed in 1990 worked in the City. Larger cities appear to have a better match. Grants Pass, Medford and Ashland share honors for providing employment for their residents at 79, 70, and 67 percent, respectively. These are clearly the economic power houses in the region’s economy.

This statistic sheds light on the term “bed-room community.” Phoenix accordingly could be termed such if not for the total employment within the City, see section entitled “economic structure.” True Phoenix citizens do not live and work in the same place, at least in the relative numbers that occur in other Jackson County communities. This reflects the regional nature of the labor force and its mobility; not the lack of jobs within the City.

Community size and the incidence of community residents’ ability to secure employment within the city of residence are closely tied. This fact accounts for the increasing concentration in larger cities of not only population but also employment an economic activity. Table 5 shows the relationship between employment within place of residence and total number of people working

**Table 5**

<b>Employment and Place of Residence</b>			
<b>Jackson County Cities</b>			
	<i>Working in Place of Residence</i>	<i>Persons Working 1990</i>	<i>Ratio of Working in Place and Labor Force</i>
Ashland	5,050	7,558	0.67
Butte Falls	9	56	0.16
Central Point	663	3,289	0.20
Eagle Point	257	1,217	0.21
Gold Hill	77	344	0.22
Jacksonville	181	787	0.23
Medford	14,384	20,505	0.70
Phoenix	223	1,287	0.17
Rogue River	153	482	0.32
Shady Cove	130	480	0.27
Talent	130	130	0.11
Source: 1990 U.S. Census			

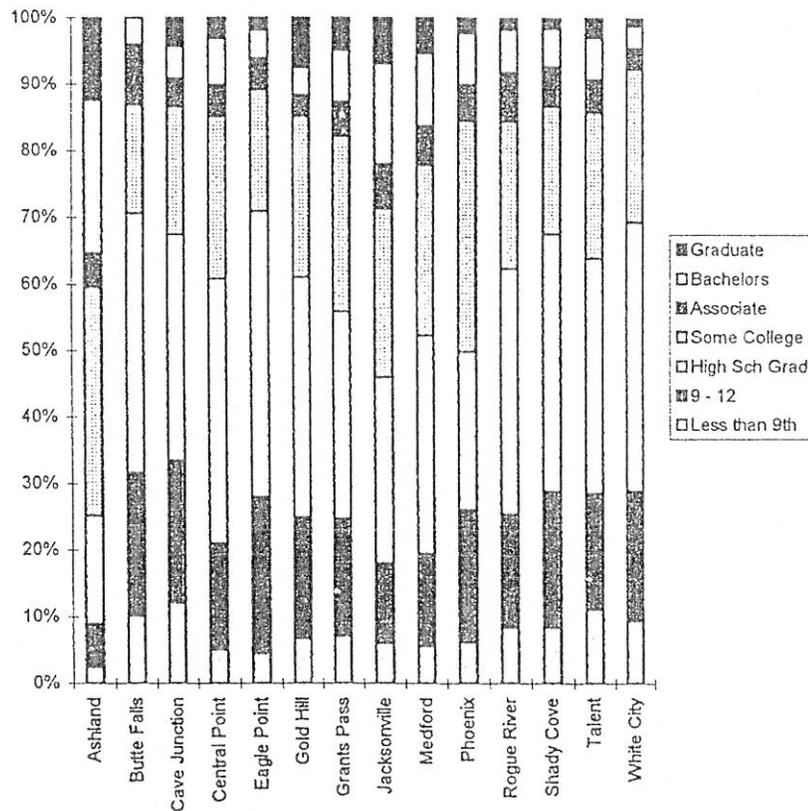
Education

The educational level of Phoenix residents over the age of 18 is unique among communities in the Southern Oregon region. The number of college graduates as a percentage of those over 18, is comparable to the smaller communities in Jackson County and Grants Pass, Ashland, Medford, and Jacksonville have significantly higher numbers of college graduates.

Phoenix shines in the area of residents securing some college. Phoenix is in the top three communities in terms of percentage of people over 18 that have some college. Approximately 50 percent of residents have had some college. Graph 5 depicts the distribution of education within communities in Southern Oregon.

**Graph 5**

**Distribution of Educational Attainment  
by Community of Residents 18 Years of Age or Older**



Source: 1990 U.S. Census

**Median Income**

The educational level of the population will increasingly influence the ability of residents to garner family wage employment. Educational levels are closely linked to median income. The top six communities in Southern Oregon in terms of median income also can take pride in knowing that 39 percent, or more, of their population over 18 has had some college. Phoenix median income falls within this range, ranking fifth among all Southern Oregon by median household income.

**Table 6**

<b>Median Household Income</b>	
<i>City</i>	<i>1989</i>
Central Point	\$29,380
Jacksonville	\$25,820
Medford	\$25,677
Ashland	\$23,579
Phoenix	\$21,573
Grants Pass	\$21,557
White City	\$21,554
Eagle Point	\$21,329
Butte Falls	\$20,833
Gold Hill	\$20,134
Harbeck/Fruitdale	\$19,682
Talent	\$19,205
Shady Cove	\$18,831
Redwood	\$18,776
Rogue River	\$15,637
Cave Junction	\$12,923
Jackson County	\$25,069
Oregon	\$27,250

Source: 1990 U.S. Census

While the median household income of the City’s residents warrants distinction, unfortunately it represents slightly less than 80 percent of the statewide median. Only Central Point’s median household income exceeds that of the State. Consequently, households in Southern Oregon, taken as a whole, earn significantly less than others throughout the State.

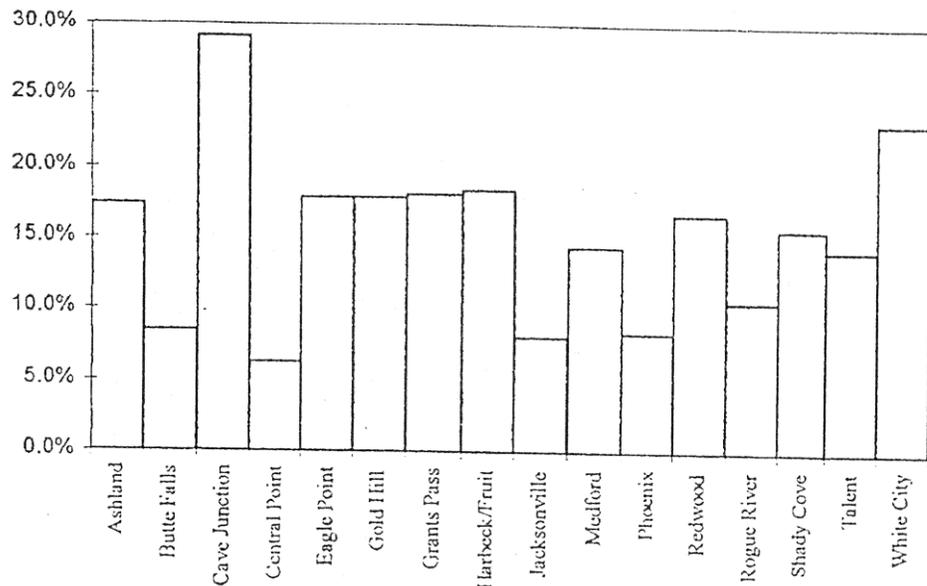
**Poverty**

The 1990 U.S. Census found 8.4 percent of Phoenix population or 272 people with incomes below the poverty level (\$12,674 for a family of four). That rate, relative to the State, Count and even other cities within Southern Oregon is quite low. Oregon and Jackson County had 12.4 and 13.2 percent of the population below the poverty level in 1989. Those rates are up by 1.7 and 1.2

percent over 1979 levels. The increases were concentrated in persons under 64 years of age, while those over 65 actually saw a decrease in their incidence of poverty over 1979 levels. Graph 6 illustrates the incidence of poverty among persons within communities in Southern Oregon.

**Graph 6**

**Percent of Population  
Below Poverty Level  
1989**

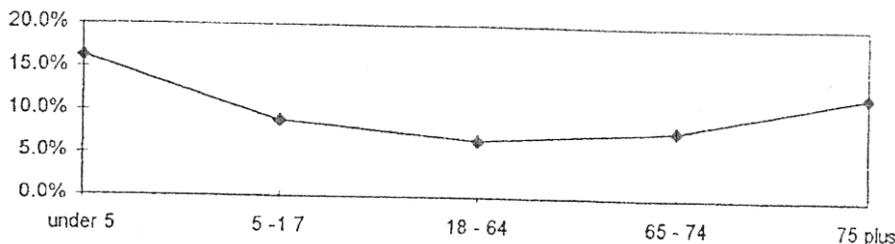


Source: 1990 U.S. Census

Poverty in Phoenix is concentrated among the youngest and oldest citizens. More detailed U.S. Census statistics reveal that the incidence of poverty increases among families with; female householder families (15.3 percent compared to 5.2 percent for all families), moving up yet again for families with children under the age of 5 (17.4 percent), and up further still for female householder families with children under the age of 5 (60.9 percent of all such families had incomes below the poverty level in 1989). Graph 7 illustrates the incidence of poverty by age group.

**Graph 7**

**Incidence of Poverty  
By Age Group**



Source: 1990 U.S. Census

**Employment by  
Industry**

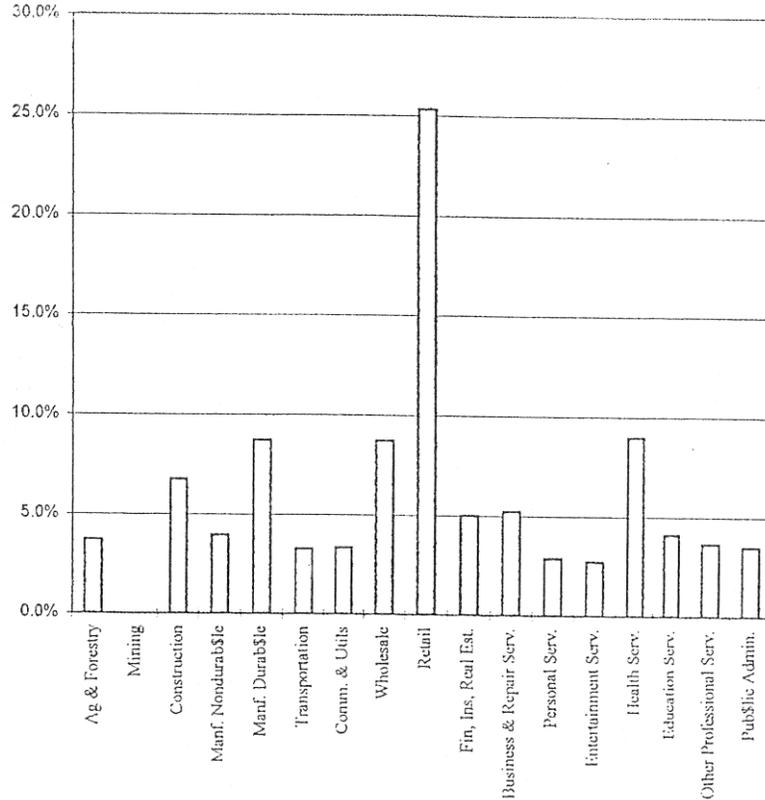
The U.S. Census also collected place of work data. This information coupled with occupation (see next section) provides enormous insight into the working life of Phoenix residents. As in previous sections some comparisons are made between Phoenix, Jackson County and the State. These analyses provide a general picture on the economic role City residents play in the regional and statewide economy.

Slightly more than 75 percent of employed persons residing in Phoenix work as wage and salary employees in the private sector. Another 12 percent work for governments, nine percent are self-employed, and the remaining one percent is engaged as unpaid family workers.

On the whole, the local labor force is distributed among the various industries in a similar proportion to other communities' labor forces. That is not surprising given that the City labor force is not separate from but simply a part of the much larger Southern Oregon labor force. However, the local labor force is uniquely under-represented (lying just short of one standard deviation) in manufacturing of durable goods (lumber & wood). Conversely, the local labor force accounts for a larger than expected share of employees in non-durable goods manufacturing, communication and other public utilities, and wholesale trade. In fact, the local labor force is, relatively speaking, heavily engaged in wholesale trade (two standard deviations higher than the mean). Graph 8 illustrates the distribution of the City's labor force among major industries.

Graph 8

**Distribution of Employment  
By Major Industry**



Source: 1990 U.S. Census

Occupations

The City has a uniquely high number of people who were employed in administrative support occupations. That occupation classification includes clerical services. The incidence of the residents employed in all other occupations fall well within the distribution of other communities.

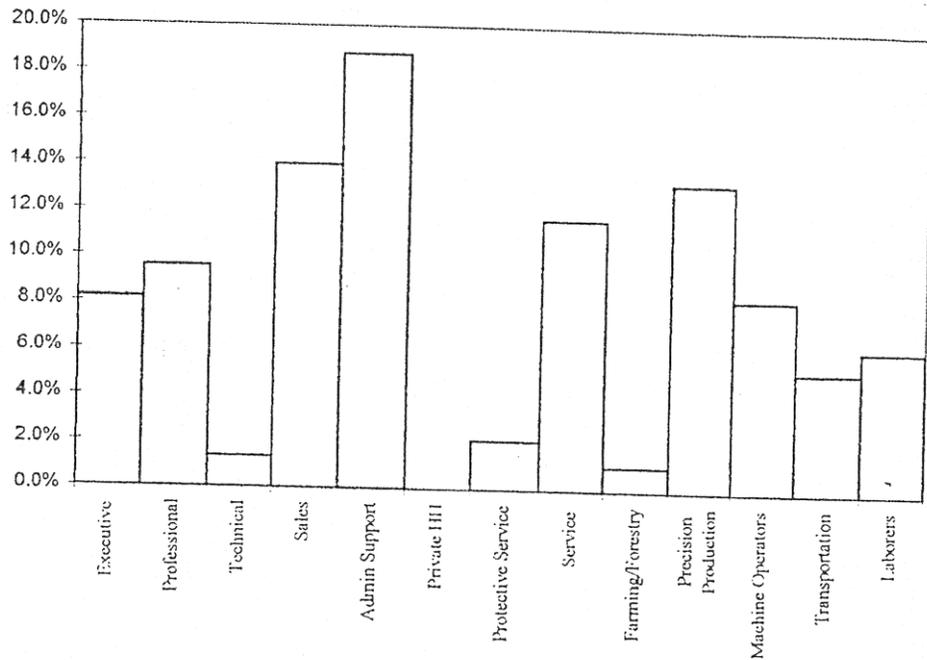
Persons employed as clerical and administrative occupations have grown by 21.3 percent during the 1980's, growing from 9,800 in 1980 to 11,890 in 1990. That numeric increase placed this occupation second behind sales occupations in occupational growth. Clerical and administrative occupations accounted for 13.9 percent of Jackson and Josephine Counties' occupational employment in 1990.

Through 1995 employment growth for the occupation added another 1,085 employees; 9 percent growth. The Oregon Employment Department forecast that the occupational class will add another 1,604 employees by 2005; a growth rate of 12.4 percent. As noted earlier, some specific jobs in this occupational class are forecast to decline over the coming decade; typists and computer operators.

Graph 9 illustrates the distribution of occupations among Phoenix residents in 1990.

**Graph 9**

**Occupational Distribution  
City of Phoenix**



Source: 1990 U.S. Census

**Economic Structure**

It is crucial to understand that the City doesn't have an economy per se. The actions and interactions among the City's businesses with residents, visitors to the City, other businesses within and without the City, and the interactions of all of these within the region do, in contrast, constitute an economy.

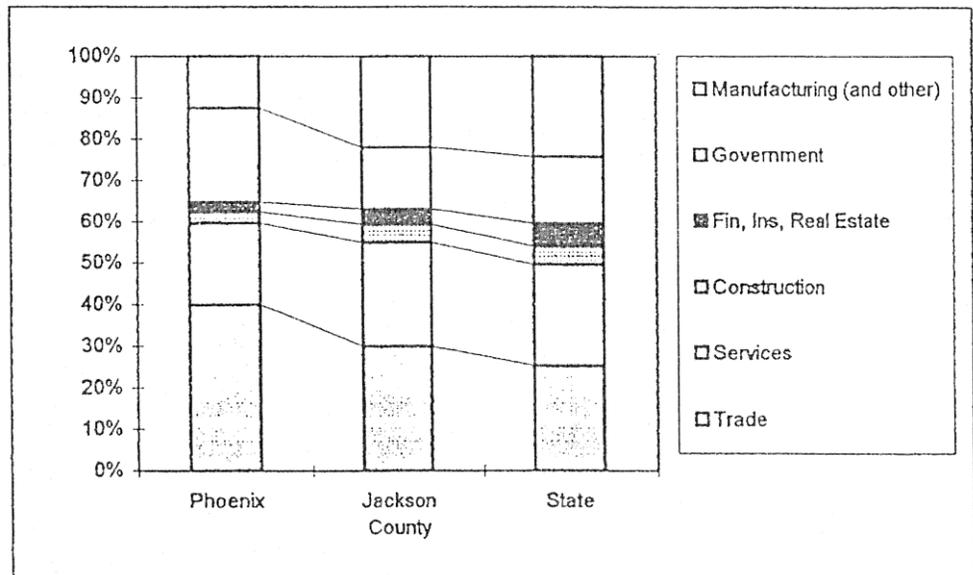
The distribution of employment among industries located within the City is unique when compared to County and State levels. The comparisons that follow are based upon 1994 covered employment data for employers in the City (actually UGB) and County and Statewide industry employment. The

covered employment data reveals the kinds of activities or services produced or offered within the City; as a small part of the region's economy. Comparisons offer insights into the existing economic forces that help shape business activity within the City and potential changes that could foster economic development.

Economic development as used in this element is defined as improvements in the local economy that stimulate a wider array of business activity, offer opportunities for more fulfilling employment, bring about improved efficiencies (either economic, transportation, energy, or natural resource conservation), and provide family-wage employment. That is in contrast to economic growth which would simply provide more of the same; employment, goods and services. For example, the addition of a new product or service through the expansion of a local business yields economic development. While the addition of another recreational vehicle park to the two already located within the City, would simply yield economic growth. The latter would provide additional employment but its contribution to the City's business climate would be insignificant in comparison to the benefits that would accrue through the diversification of business services or goods available within the City. With that point clear, Graph 10 illustrates the distribution of covered employment among major economic sectors.

**Graph 10**

**Distribution of Employment  
By Major Sector – 1994 Covered Employment**



Source: Oregon Employment Division, Covered Employment Data

The variations between employment within the City and those of the County and State are, in some cases, extreme. That is due, in part, to the focus of businesses within the City on urban population and activity as contrasted with rural. For instance, 40 percent of the City's employment is in trade. That is ten percent higher than that of the County as a whole and almost 15 percent higher than the State. Retail trade employment is concentrated within the Fern Valley Road corridor including its intersection with Main Street. The corridor's businesses are oriented to the traveling public and the region as a whole. The City's residents alone could not support this extent (number or diversity) of trade activity.

The proportion of manufacturing, agriculture, transportation, communication and utilities are much lower than those of the County or State. Phoenix has no manufacturing businesses.

Government makes up roughly one quarter of the City's employment. That compares to about 15 percent for the County and State. Phoenix residents enjoy the services of two public schools (and administrative offices) and the City government itself. There are no federal or State government employees located within the City.

Service employment within the City is surprising lower than those of the County and the State. This is an area of the economy where employment within the City would be expected to exceed those of the State and the County. The differences are not extreme but still in the neighborhood of five percent.

**Economic  
Opportunities**

Real economies (as contrasted with those defined by arbitrary boundaries i.e. Jackson County or Southwest Oregon) “turn out to be nothing other than the organic relationship of cities and towns to their surroundings.”<sup>18</sup> That observation by Daniel Kimms, Mayor of Missoula, as well as the one that follows have particular relevance to the Rogue Valley; one only need to substitute Medford for Missoula.

”What had partly fueled Missoula’s economy during this period was the expansion of retail and other service industries, much of the expansion coming at the expense of retail and service trade in the smaller towns. Sustainability could not be viewed only as an issue in the forests or the small timber- dependent communities; Missoula needed to be concerned about the sustainability of its own prosperity. The harder we looked at the issue, the more obvious it became that Missoula’s long range welfare would be better served by supporting the viability of the smaller towns around it than by growing at their expense.” (Ibid) Within research by others, he found that “those cities that, one way or another, have maintained or recaptured the organic relationship between central city and suburbs are, by a number of measures, more successful than those metropolitan areas that have fallen for the siren song of suburban independence. He points to a number of measures to illustrate his point; income disparities are smaller in those urban regions where suburbs and central city are integrated, credit ratings for integrated urban areas averaged two percentage points lower than those with more independent suburb/central city relationship. “Neal Peirce goes a step further, presenting an expanding body of research demonstrating that those suburbs showing the most durable economic strength are the one rigning the most economically healthy central cities.” (Ibid) (Reference to Neal R. Peirce, Citistates, Seven Locks Press, 1993, p. 1, 12.

The point here is that the economy of the City will only be as healthy as that of its central city (Medford). Further, Medford as the region’s largest city must endeavor to bolster the economy of its neighbors and thereby by region as a whole.

This perspective, while not official policy nor quite as comprehensive, has gained some following within the City of Medford. Once a marketing claim and now a reality; Medford is the commercial center for Jackson, Klamath, Josephine, Coos, and Curray Counties. Much too late to turn back the clock, Medford has realized that the costs, especially in terms of transportation improvement needs, make this strategy unsound. The region’s shoppers drive to Medford to go to the Mall, Costco, Barnes and Noble, Thunderbird, Super Shopm or any of a number of other chain mega-stores. These shoppers place high burdens on the transportation system while (under the current taxing

System) not contributing a dime to road maintenance or expansion. Could there be a lesson here?

Opportunities to develop a sound regional economy which integrates the needs of the entire region, including those of the largest and smallest communities, are bountiful. They are however, tempered by the three simple factors; the lack of substantive economic advantages within the City of Phoenix relative to other communities and regions, the relative abundance of commercial and industrial land within the Rogue Valley region, and the modest level of educational and professional training currently held by City residents. Each of these are reviewed individually in the balance of this section.

#### Advantages

What are they? Located along the I5 mid-way between Seattle and San Francisco, excellent work force, cheap industrial land with public services, public incentives for relocation or expansion, educational facility conveniently located within the City, low tax rate, and rail services to name a few that are frequently cited. What community along the I5 corridor (and many which aren't) can cite similar statistics and be more or less comparable to Phoenix? That's the problem – we're a mom and pop store awash in a world dominated by Costco's, McDonalds, and Federated Department Stores.

The City does have characteristics and qualities that are unique and which have the potential to be leveraged to create qualitative economic development. Foremost, is the City's small town character; quiet, peaceful, serene, friendly, and unpretentious. These qualities only have economic value if they can be evident and apparent to visitors and prospects. "We hug visitors to Medford." No, that's not Phoenix. Phoenix delivers real goods; unpretentious, honest, hardworking, and friendly people. These are qualities that are unique and people in Phoenix deliver them every day. Coupled with the City's small town character the message is believable and marketable.

The key question is how do those qualities of the City and its residents find a voice and how can the City protect and enhance those qualities which make it unique in the region, State and nation. The Goals and Policies of this Element provide several tools which, taken together, help to bolster those attributes important to the City's future. But those goals and policies will be largely ineffective without support from the broader region to improve the spatial distribution of economic activity. There is little evidence to suggest that the region will adopt such a strategy.

Although the interchange can be considered the City's greatest economic asset the City Center also has great economic potential. The two can function independently but can support each other (i.e. specialty retail in City Center/ regional commercial uses at interchange). To the casual observer and to many residents, the City Center's potential is marred by years of predatory competition from mega-retailers located in Medford. Due to the pricing advantages of mass marketing and volume discounts, the City's retailers are at a substantial price disadvantage. What the City's businesses lack in the way of pricing is made up for in service and convenience.

Regrettably, price is often the key consideration especially with big ticket items. Similarly, smaller retailers cannot compete with the selection offered by major retailers. Consequently, local retailers and service businesses will need to focus on relatively narrow product lines and emphasize services.

The City Center's vacant land supply, close proximity to shoppers (within walking distance of most and bicycling distance of all the City's residents), and frontage along the Rogue Valley Highway offer opportunities that future entrepreneurs will seek out. The City will need to serve as a coordinating entity to ensure that the development bolster the City's character, provides for increased residential development within the area, and is consistent with adopted design standards.

#### Land Supply

"Businesses seeking industrial sites in the Rogue Valley experience an abundant supply (projected to be 110 years)."<sup>19</sup> That fact coupled with a substantial portion of the supply lying in rural areas compromises the City's ability to secure industrial development. The City's industrial lands have difficulty competing with their rural counterpart that usually has a full complement of urban services (public sewer and water systems, ready access to the State transportation system, and often rail service). Urban industrial lands are typically subject to higher property taxes, adjacent land use conflicts, higher development fees, and more rigorous site development standards. Consequently, securing industrial development within the City will be problematic.

The City's challenge to attract industrial uses is compounded by the excessive supply of industrial land in the largest Southern Oregon city and our neighbor to the north. Based upon industrial land consumption within the City of Medford during the period 1973 through 1992, Medford has a 53 year supply of general industrial and 56 year supply of heavy industrial lands within its UGB. That inventory only includes tracts larger than 1 acre in size. Therefore, the actual supply is significantly higher.

“However, according to a survey recently completed by the Oregon Economic Development Department that compares the price and quality of industrial land in Medford to that of other cities in Oregon, the price of much of the industrial land in the city of Medford is very expensive – sometimes even double the price of comparable land in other cities. In the past the city (Medford) has based many decisions on the understanding that the city had an almost excessive supply of industrial land.”<sup>20</sup> Consequently, Medford has readily permitted the conversion of its industrial lands to commercial uses fueling industrial land speculation and pushing industrial land prices higher. The higher land prices have probably contributed to dispersal of industrial development to other parts of the Rogue Valley. Medford is not unique. Many other Southern Oregon cities have excessive amounts of industrial property.

Some might suggest that you ‘can’t have too much of a good thing.’ When community development, livability, and economic efficiency are concerned too much tends to distort the land market, fuel speculation, foster inefficiencies in community development (especially the transportation system), and lead to poor public policy choices. The City cannot, by itself, correct these ills. But the City can ensure that it doesn’t contribute to the problem.

Industrial development will occur in the City’s future; the question is when. As this element is being written a discussion is underway between the City, County, and a potential developer of industrial lands west of the railroad tracks and Dano Drive. Oddly, this County owned site was considered unsuitable for development of key economic development professionals less than six months ago. That was due to access problems and adjacent land use issues. Those site constraints have not disappeared but rather a developer hopes to exploit some of the site’s other attributes (isolation from noise sources including other industrial uses and high traffic volume street). This illustrates how quickly fortunes can turn, and the difficulty encountered in both economic development and land use planning. It also illustrates how quickly land developers can see a profit when land is considered to have little market value.

#### Educational Attainment

As noted earlier, 50 percent of Phoenix residents over the age of 18 have had some college. That places Phoenix among the top three communities in Jackson County. The number of college graduates, as a percentage of those over 18, is comparable to the smaller communities in Jackson County and Grants Pass. Ashland, Medford, and Jacksonville have significantly higher numbers of college graduates.

While notable, the labor market will increasingly demand job seekers and employed persons to have ever higher levels of education and to update their skills on an ongoing basis. Lifelong learning will become a precondition for

career advancement. The Phoenix campus of the Rogue Community College, RCC, is readily accessible to City residents. The campus provides employment, education, training, and educational counseling. These services represent a powerful tool to boost the economic welfare of City residents. RCC could be a key component of the City's economic development strategy. Developing a formal partnership with the RCC could boost the potency of the facility and enhance the future of the City.

**Land Needs**  
Industrial

The 1983 Comprehensive Plan designated “5.42 acres for Light Industrial development and 70.3 acres for General Industrial.”<sup>21</sup> Those acreages reflect a ratio of 20 acres of industrial land per 1,000 residents. Industrial land use in 1983 totaled 14.3 acres, or three percent of the City’s land area. That computes to an industrial land ratio of 6.2 acres of industrial land per 1,000 people. Industrially developed properties then and now lie along the railroad tracks.

Since its adoption, the 1983 Plan map has been amended over time to replan / rezone 70 acres of industrial lands to other uses. Thus reducing the current inventory of land planned for industrial to 543 acres. There have been no new industrial developments since adoption of the Plan in 1983. Owners or occupants of developed industrial sites have changed but no vacant industrially planned land has been converted to industrial use. Consequently, the City’s industrial land base has remained unchanged since 1983 except for the loss due to plan/zone changes. Table 7 details the existing inventory of industrially planned lands.

**Table 7**

<b>Industrial Land Inventory</b>		
<i>Status</i>	<i>Total Acres</i>	<i>Buildable</i>
Developed	14.48	0.00
Vacant	36.16	36.16
Vacant (partial)	0.85	0.25
Redevelopable	1.08	1.08
Commercial	1.54	0.0
<b>Total</b>	<b>54.11</b>	<b>37.49</b>

A total of 54 acres of vacant land is currently designated for industrial development. Seventeen and seven-tenths acres of industrial designated land are developed. It should be noted that sector classification (as used in the previous labor force discussion) varies from uses permitted within the industrial zone. Businesses within industrially zoned property within the City are not classified as manufacturing.

The potential for industrial development is dependent upon numerous factors; location, proximity to markets, raw material supplies / locations, cost of labor, land and other development costs, among others. The absorption of lands for industrial uses in Phoenix is a function of all of these things, as well as competition within the region, state, nation, and world. Given these variables, which are all dependent upon the individual industrial user, there is no reliable

way to quantify or estimate the potential for industrial development in Phoenix.

A possible indicator is the rate of absorption or consumption of industrial land in the surrounding region. During the past 20 years (1973-1993) the City of Medford has absorbed an average of 15.87 acres of industrial land (general and heavy) per year. Medford at the end of 1995 had 1,533 acres planned for industrial use within its city limits and an estimated population in July of that year of 55,090 which computes to 27.8 acres per 1,000 population. As noted earlier, at the current rate of consumption, the City of Medford has more than a 50 year supply of industrial land. In 2015 with a forecast population of 72,940 Medford's ratio would be 21 acres per 1,000 population.

Phoenix has slightly over 54 acres within its UGB planned for industrial use. Based upon a 1997 City population of 3,780, the City has 14.3 industrially planned land acres per 1,000 population. In 2015, with a forecast population of 5,250, the City's ratio would still be 10.3 acres per 1,000 populations.

Factoring city size into Medford's historical rate of industrial land absorption yields a widely different perspective. At approximately five percent the physical size of Medford, a comparable rate of industrial land absorption for Phoenix would be approximately three-quarters of an acre per year.

The pre-1973 historical industrial land base has little to do with the future. Much of industrial land base before this time was dedicated to the vast timber and pear industrial holdings. It is the absorption rate since 1970 that has the most relevance to the City's future. Put simply, no new timber mills not pear packing houses are likely to be built in the future. Therefore, the City's Plan should provide approximately one acre of industrial land per year which, when adjusted for city size, is consistent with Medford's industrial land absorption rate since 1973.

The '83' Plan provided an excessive amount of industrial land and accounts for the plan/zone changes that reduced the acreage to today's totals. Even today, based upon absorption rates of approximately one acre per year, the City has too much industrially zoned/planned land. Consequently, some lands currently planned for industrial use should be planned for an alternative use of identified as urban reserve and planned for an interim rural use.

The City's vacant industrial lands are concentrated in the northwest quadrant of the City and owned by Jackson County. As noted earlier, the County owned site is considered by many economic development professionals to have characteristics which do not lend it to industrial development. Recent interest

by a land developer suggests that its isolation and relative noise free environment could be an asset for movie and other “high tech” businesses. This site is 33.7 acres in size. Water and sewer services are available but require service extension including boring under the railway bed. Access to the site is problematic. Various options have been considered but none studied with sufficient detail nor garnering sufficient agreement to yield a solution. The City hopes that joint efforts with Jackson County will result in the identification of a solution and the extension of all public facilities to the site. Appendix A includes a map showing industrial sites and their status.

This site is considered unique and will attract and should be reserved for uses with “special siting requirements.” Goals and policies designed to ensure their use for the intended purpose are included in the Goals and Policies section of this Element.

The land area of the County owned site is more than twice the industrial acreage expected to be absorbed within the next 20 years. Its retention for industrial use represents a strategic decision on the part of the City to reserve these lands for this use and reflects their unique qualities relative to other industrial uses may not occur within the 2016 planning horizon. Further, until the full range of public facilities is extended to the sites, it is not available for development. The timing of public facility improvements to these sites is addressed in the City’s Public Facilities Plan.

#### Commercial

The 1983 Comprehensive Plan identified about 200 acres for commercial development. That figure was predicated, in part, upon the commercial development in the vicinity of the interchange. Since the adoption of the Plan, considerable development has occurred around the interchange. Unrecognized in the ‘83’ Plan, was the inappropriateness of urban level development adjacent to a rural interchange. Number improvements on the interchange ramps (mainly signalization, and turn lanes) will boost capacity slightly. Ultimately, the entire interchange will need to be reconstructed along with at least doubling of the number of lanes on Fern Valley Road to provide the needed capacity to allow development consistent with the current plan. Those improvements are not anticipated to occur until in the planning horizon (2010-2015).

The 1983 Plan called for “preservation and strengthening of the downtown commercial core areas along Main Street.” (Ibid) That objective has not been recognized. The downtown shows few signs of growth or strengthening. Much of the commercial activity of the City has in fact shifted to the Fern Valley

Road corridor. The 1983 Plan was correct. “Fern Valley Road will become increasingly valuable as a commercial corridor, serving both general and tourist commercial needs.” (Ibid) The ’83 Plan did not, in all likelihood, anticipate the magnitude of the shift in commercial development to the Fern Valley Road area from the downtown. Further, the lands surrounding the Fern Valley Road interchange can uniquely provide for the siting needs of uses which rely upon the traveling public’s patronage. Goals and policies designed to ensure their use for these purposes are included in the Goals and Policies section of this Element. Appendix B shows the location of the City’s existing businesses.

A 1995 land use inventory of commercial lands (including lands designated Business Interchange) within the City (including the UGB) found 72.92 acres vacant or underdeveloped. Sixty percent of that total is located in the interchange area. Until the interchange is upgraded to urban standards, commercial development of this scale in this location is not possible given the transportation problems associated with the interchange.

The City’s need for commercial land is tempered by the urgent need to develop a functional and dynamic City Center. The City’s current effort to explore development of a new civic center / municipal building within the area and implementation of a streetscape are crucial first steps in that effort.

Rogue Community College is another important asset in the City. The Phoenix Campus provides citizens of all ages the opportunity to continue their education or pursue special interests. Education and training, as noted earlier, is a fundamental part of employment; whether for the new job entrant, retraining a mature worker, or maintaining or improving existing career skills. Like City Hall, the College draws people into town. Both the new municipal building and RCC are key building blocks to development of a vibrant commercial district in the City Center.

**Oregon Progress  
Board**

The Oregon Progress Board has developed a series of Oregon Benchmarks. These “Benchmarks are indicators of the progress that Oregon has set out to achieve in its strategic vision.”<sup>22</sup> Key directions set out in the Benchmarks include:

- 1) Sixty-four percent of forest products employment in 2010 engaged in value added manufacturing. That would be a dramatic increase from the 43 percent employed in such industries in 1993.
- 2) Boosting the percentage of employment in value added manufacturing in the agricultural industry from 41 percent in 1993 to 60 percent in 2010.
- 3) Increasing the number of small business startups per 1,000 population from 3.0 in 1992 to 3.5 in 2010.
- 4) Diversifying the employment in manufacturing by increasing the percentage of employment outside the five largest manufacturing sectors by 12 percent (38% in 1993 to 50% in 2010).
- 5) Increasing the percentage of the State’s employers who engage in student structured work experience programs from 24 percent in 1994 to 65 percent in 2010.
- 6) Seeing an additional 12 percent of Oregon’s employers engaged in formal apprenticeship programs (up from 8 percent in 1994).

These benchmarks describe an economy which is diversifying, especially in the area of manufacturing. It is an economy which utilizes the State’s agricultural and forest products to produce manufactured goods rather than simply raw materials. The benchmarks describe employers who are dedicated to and see training and retraining as an ongoing and continuous part of “doing business in Oregon.” And finally, the benchmarks describe an increasing number of ambitious entrepreneurs who make a growing contribution to the economy.

**Conclusion**

The Element covers a lot of territory; technological forecasts, profiles of the economy, statistics about the City’s residents, and a conjecture about land needs. Even with all that effort and research the economic future of the households, workers, business owners, unemployed, children who live or work in the City is unclear. It is clear that the future holds both promise and despair. The element has yet to offer a vision, like the Oregon Benchmarks, which can be used to chart a course. The Goals and Policies that follow constitute that vision and describe the public economic policy for the future.

**Goals and Policies**

**Goal 1**                    **To foster economic development through the retention, renewal, upgrading, expansion, and linkage of existing commercial and industrial business, and recruitment of new ones.**

Policy 1.1                Assist local businesses in their expansion and diversification plans by providing referral to regional and state economic development agencies.

Policy 1.2                Secure, maintain and provide copies to the Phoenix Public Library of statistical profiles and other information about the City and its residents with an emphasis on economic and educational data for use by local businesses.

Policy 1.3                Participate in regional and statewide efforts to diversify the economy.

**Goal 2**                    **To promote development within the City Center.**

Policy 2.2                Encourage development within the City Center by permitting trade, office, residential and limited manufacturing uses based upon their consistency with established performance standards. An “employment zone” would provide flexibility while ensuring compatibility of uses within the City Center. Develop the new zoning designation for consideration by the City Council.

Policy 2.3                Encourage the implementation of the Streetscape Plan realizing that there will be short term negative impacts but which are necessary to accomplish the long term goal.

Policy 2.3a                Establish a capital improvement program setting forth specific projects and time lines for Streetscape Plan projects consistent with identification of funding sources.

Policy 2.3b                Initiate high level discussion with Oregon Transportation Commission members to explore strategies for implementation of the Streetscape Plan on the Rogue Valley Highway.

Policy 2.4                Develop design guidelines and standards for use within the City Center for consideration by the City Council.

Policy 2.5                Link the City Center to the Bear Creek Greenway through the development of outdoor public spaces which will provide a focal point for the City Center as well as areas for chatting, sitting, reading, or other passive activities.

**Goal 3                      Formalize the City’s partnership with Rogue Community College, RCC**

- Policy 3.1                      Explore with RCC the City’s role and potential to assist in the expansion of Rogue Community College services within the City.
- Policy 3.2                      Appoint a Council Liaison to the College to ensure ongoing communication and coordination.
- Policy 3.3                      Encourage residents to make a personal commitment to life-long learning.
- Policy 3.3.a                      Consider the adoption of an ordinance dedicating a percentage of the business license fees toward tuition fee reduction for Phoenix residents at Rogue Community College.
- Policy 3.3.b                      Consider using a portion of the business license fee revenue to conduct workshops and training described in Policy 5.2.
- Policy 3.3.c                      Consider dedicating for the use by City residents a portion of the City’s general fund for scholarships at Rogue Community College.
- Policy 3.4                      Explore the potential to utilize Job Training Partnership Act funds (federal money administered by the Jackson – Josephine County Job Council) to match the City contribution.

**Goal 4                      Designate lands within the I5 interchange area to provide services and goods for the traveling public as well as business locations serving the community and the region.**

- Policy 4.1                      Ensure the list of permitted and conditional uses within the Interchange Business zoning district is consistent with the purposes of the Plan designation and Goal 4.
- Policy 4.1.a                      Develop performance standards for the Interchange Business zoning district to ensure uses locating in the interchange area are of a scale, function, and character appropriate to the interchange and inappropriate within the City Center.
- Policy 4.2                      Within the Fern Valley Road Interchange area (including all lands east of Bear Creek Bridge within the UGB) and annexation, zone change, or change of existing uses which is expected to significantly increase travel demand in the interchange area must be predicated upon facts (supported

by special traffic studies) and findings that sufficient capacity exists or will be available upon completion of funded improvement(s) to satisfy the proposed development's travel demand (including background traffic) concurrent with its opening.

Policy 4.3 The Fern Valley Interchange and Fern Valley Road within the City's UGB are regionally significant transportation facilities. Developments occurring outside of the interchange area (in Southeast Medford and rural Jackson County) have the potential to exhaust the interchange's remaining unused capacity. The transportation impacts of Southwest Medford and Jackson County developments, like those of development within the interchange area, should also be offset by improvements, when necessary, to ensure "sufficient capacity" in the interchange area and ensure the protection of the public's health, safety, and general welfare. The City shall endeavor to: 1) secure regional support for interchange improvements, and 2) participate in any land use action that will "significantly increase travel demand" in the interchange area.

**Goal 5 To encourage the development of new local business and start-ups. Double the incidence of people working at home from 5.7 percent in 1990 to 11.4 percent by 2015.**

Policy 5.1 Require business licenses for home occupations but waive the associated fee.

Policy 5.2 Co-sponsor small business workshops and classes in conjunction with Rogue Community College, Phoenix Chamber, Southern Oregon Economic Development Organization, and the Small Business Administration. Workshops should focus on "starting small businesses," "profitable home occupations," and "business planning for the emerging home businesses."

Policy 5.3 Permit, subject to specific standards, home occupations in all residential zoning districts.

Policy 5.3.a Authorize the City Planner to administratively approve, subject to conditions, the initiation and operation of home occupations.

Policy 5.3.b Allow for alterations of residential structures, including the addition of home offices and communication services, when necessary to conduct home occupations. Such alterations shall be consistent with residential design standards.

**Goal 6 Advocate the delivery of sophisticated, digital communication services to every household, business, school, church, and government**

- building with the City.**
- Policy 6.1 Advocate that the Jackson County Library System provide public Internet access at the Phoenix Branch Library.
- Policy 6.2 Ensure that City government has access to the Internet including electronic mail.
- Policy 6.2.a Consider establishing the City's presence on the World Wide Web to permit general public access to City announcements, minutes, agendas etcetera.
- Policy 6.3 Explore free or reduced cost Internet access for City residents as a part of utility franchise agreements.
- Goal 7 Finance and construct public facilities extensions to the City's vacant, industrially planned land.**
- Policy 7.1 Maintain a minimum five year supply of industrial land within the City which is served with public facilities.
- Policy 7.1.a Consider and pursue, if appropriate, the use of grants, less than fee acquisition, land exchange, urban renewal district, and other alternative financial strategies to provide for the timely extension of public services to vacant industrial land when subsequent development will include the creation of family-wage jobs (defined as a wage rate in excess of the federal poverty level for a family of four).
- Policy 7.2 The City shall initiate with Jackson County the study, development and construction of sewer, water, storm drain, and public street access to the County owned industrial site in the northwest quadrant of the City.
- Goal 8 To ensure that all City employees receive and contractors pay a living wage (defined as a wage rate in excess of the federal poverty level for a family of four.).**
- Policy 8.1.a Consider the adoption of an ordinance setting the wage terms for contractor employees, consistent with above goal, for any City hired contractor.
- Goal 9 To foster regional economic development that is spatially distributed and focused within urban areas.**
- Policy 9.1 Re-negotiate with the County the terms of the urban growth boundary agreement to limit the proliferation of commercial and industrial uses outside the urban growth boundary but within the City / County area of

Mutual concern.

- Policy 9.2 Further analyze the background data included in this element to identify opportunities for fulfilling needs or deficiencies in the local business community and thus provide specific economic development targets.
- Policy 9.3 Structure the zoning provisions for the City's designated industrial lands owned by Jackson County lying in the northwest quadrant of the City to provide for industrial uses with special siting requirements. Uses in the industrial / business park site shall require and rely upon a low noise environment, or be in harmony within such an environment, and could not otherwise locate or be appropriate in the City Center. The location of such uses shall not have the effect of exceeding the capacity of the transportation system.
- Goal 10 Utilize contract annexation whenever possible in order to maximize City property tax revenues and thus help to off-set some of the costs of growth.**
- Goal 11 Provide for neighborhood commercial uses within residential areas subject to the review and approval by the Planning Commission and City Council.**
- Policy 11.1 Allow such uses when all the following criteria are satisfied:
- 1) The site is more than ½ mile from other areas zoned or planned for commercial uses,
  - 2) The site is not located on an designated arterial street,
  - 3) There is a public need for the use in the specific area proposed for the use,
  - 4) Conditions ensure that the neighborhood commercial use will;
    - a. Be an appropriate scale to serve the neighborhood,
    - b. The architectural style of the structure and the landscape design is compatible with the residential neighborhood,
    - c. Off-street parking is located to the rear of the lot and includes no more than ½ the spaces normally afforded similar uses in a commercial setting and on-street parking in front of the neighborhood commercial use is prohibited,
    - d. The building and the customer entrance is oriented to the front of the lot, and
    - e. All signage (including interior product advertising) is non-illuminated, and at a pedestrian scale.

**References**

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- <sup>3</sup> 1990 U.S. Census
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<sup>18</sup> *The Good City and the Good Life (Renewing the Sense of Community)*, Daniel Kemmins, Mayor of Missoula, 1995

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<sup>21</sup> *Phoenix Comprehensive Plan, Land Use Element*, 1983

<sup>22</sup> *Oregon Benchmarks*, Oregon Progress Board, December 1994